

**IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**RALPH S. JANVEY, IN HIS CAPACITY  
AS COURT APPOINTED RECEIVER  
FOR THE STANFORD RECEIVERSHIP  
ESTATE, and the OFFICIAL  
STANFORD INVESTORS COMMITTEE,**

*Plaintiffs,*

**V.**

**ADAMS & REESE, LLP; BREAZEALE,  
SACHSE & WILSON, LLP; ROBERT  
SCHMIDT; JAMES AUSTIN; CLAUDE F.  
REYNAUD, JR.; CORDELL HAYMON;  
THOMAS FRAZER**

*Defendants.*

**Case No. 3:12-cv-00495-N-BL**

**DEFENDANT BREAZEALE, SACHSE & WILSON, LLP’S MOTION TO JOIN, IN  
PART, DEFENDANT CORDELL HAYMON’S MOTION FOR LEAVE TO DESIGNATE  
RESPONSIBLE THIRD PARTIES AND BRIEF IN SUPPORT**

Defendant Breazeale, Sachse & Wilson, LLP (“BSW”) moves to join, in part, Defendant Cordell Haymon’s Motion for Leave to Designate Responsible Third Parties and Brief in Support (“Haymon’s Motion”) [Doc. 71]. In filing this motion, BSW is not waiving, and does not intend to waive, its position that Louisiana substantive law applies to all of Plaintiffs’ claims. Pursuant to Local Rule 5.1(c), BSW has included its motion and brief in a single document.

**I.**

Plaintiffs Ralph S. Janvey, in His Capacity as Court-Appointed Receiver for the Stanford Receivership Estate and the Official Stanford Investors Committee’s (collectively “Plaintiffs”) sue BSW for respondeat superior arising out of Defendant Claude F. Reynaud, Jr.’s (“Reynaud”) conduct as a director of Stanford Trust Company (Louisiana) (“STC”). For the reasons set forth

herein, and as set forth in Haymon's Motion, BSW moves for leave to designate the persons and entities listed below as responsible third parties. BSW only joins Haymon's Motion, in part, because BSW does not move for leave to designate BSW as a responsible third party.

## II.

Plaintiffs allege that BSW and Reynaud, a law partner with BSW and a former director of STC, conspired with R. Allen Stanford and others to sustain and expand the infamous Stanford Ponzi scheme and defraud investors who purchased some \$1.8 billion worth of certificates of deposit issued by the Antigua-based Stanford International Bank, Ltd. (the "SIBL CDs"). According to *Plaintiffs' First Amended Complaint*, BSW, acting through Reynaud, conspired with the Stanford Ponzi schemers "regarding the need to conceal the true nature and activities of STC, SGC [Stanford Group Company], and Stanford Financial generally, and to avoid regulatory scrutiny." *Plaintiffs' First Amended Complaint* ("Complaint" or "FAC") ¶ 176. To this end, Plaintiffs seek to hold BSW liable for the alleged tortious conduct of Reynaud. *See FAC* ¶ 184.

In particular, Plaintiffs allege that Reynaud breached his fiduciary duties to STC, as follows:

Specifically, the Director Defendants [of which Reynaud is a member] breached their fiduciary duties to STC by continuously ignoring the numerous red flags discussed in this Complaint and continuing to provide services that furthered the Stanford Ponzi scheme, despite the Director Defendants' extensive knowledge of the fraudulent illicit operations at STC, SGC, and Stanford Financial generally, and STC's illicit business relationship with SIBL and SGC. By ignoring these red flags and continuing to provide such services acting with little or no knowledge of Stanford Financial or SIBL, the Director Defendants allowed STC to be dominated, controlled and exploited by SGC, SIBL, and Stanford Financial generally, such that STC did not further its own interests but rather served the interests of the Stanford Ponzi scheme to its own detriment.

FAC ¶ 173.

Plaintiffs further allege that Reynaud had a meeting of the minds with R. Allen Stanford, Jim Davis, Leroy King, Laura Pendergest-Holt, and others to sustain and expand the Stanford Ponzi scheme and defraud investors who purchased some \$1.8 billion worth of SIBL CDs.

Defendants conspired with Allen Stanford, his co-conspirators and the directors and officers of STC, SGC, and Stanford Financial generally to commit the wrongful conduct described herein, including breaches of fiduciary duties, fraudulent transfers, and conversion. Defendants are responsible for all wrongdoing done by each of the other members of the conspiracy, including Allen Stanford, Jim Davis, Mauricio Alvarado, Laura Pendergest-Holt, Rebecca Hamric, Jane Bates, Lena Stinson, Bernie Young, SIBL's president Juan Rodriguez Tolentino, Leroy King, and others, in furtherance of the unlawful conspiracy and enterprise. In particular, Defendants are responsible for Allen Stanford's and his co-conspirators' misappropriation of billions of dollars in assets from Stanford Financial companies, and therefore from the Committee as assignee from the Receiver, including at least \$300 million in funds that STC should have been holding in SIBL CDs that were improperly diverted and subsequently misappropriated from Stanford Financial companies.

FAC ¶ 179.

Finally, Plaintiffs allege that Reynaud joined a conspiracy "regarding the need to conceal the true nature and activities of STC, SGC, and Stanford Financial generally, and to avoid regulatory scrutiny." FAC ¶ 180.

### III.

BSW incorporates by reference, as if fully set forth herein, Section II of Haymon's Motion, entitled "Responsible Third Parties," with the exception of the portion directed toward moving for leave to designate BSW as a responsible third party. To this end, BSW moves for leave to designate the following persons and entities as responsible third parties:

R. Allen Stanford, Laura Pendergest-Holt, Gilbert Lopez, Mark Kuhrt, James Davis, Adams & Reese, LLP, Robert Schmidt, James Austin, Stanford Group Company, Stanford Financial Group, Stanford International Bank, Ltd., Stanford Trust Company (Louisiana), Stanford Trust Company, Ltd. (Antigua) d/b/a Stanford Fiduciary Investor Services, Stanford Group Columbia a/k/a Stanford Bolsa y Banca, Stanford Group Ecuador a/k/a Stanford Group Casa de Valores, S.A., Stanford Trust Company

Administradora de Fondos y Fideicomisos, S.A., Stanford Group Mexico a/k/a Stanford Group Mexico S.A. de C.V., Stanford Fondos, Stanford Group Panama a/k/a Stanford Bank Panama and Stanford Casa de Valores Panama, Stanford Group Peru a/k/a Stanford Group Peru S.A. Sociedad Agente de Bolsa, Stanford Group Venezuela a/k/a Stanford Group Venezuela C.A., Stanford Bank Venezuela, Stanford Group Venezuela Asesores de Inversion, C.A.S. Hewlett & Co., Ltd., Lester Bird, Wrenford Ferrance, Tom Cash, Ivan Diaz, Michael Ancona, Jeffrey Balmer, Keith Ellenburg, Barry Hersh, Molwyn Joseph, Gaston Browne, Mauricio Alvarado, Leroy King, Rebecca Hamric, Lena Stinson, Juan Rodriguez-Tolentino, Juan Alberto Rincon, Proskauer Rose, LLP, Chadbourne & Parke, LLP, Thomas V. Sjoblom, BDO USA, LLP, BDO Global Coordination B.V., Brussels Worldwide Services BVBA, Daniel and/or Danny Bogar, Jay Comeaux, Jason Green, Michael Koch, R.E. Poppell, A.J. Rincon, Charles Weiser, Bernard and/or Bernie Young, Jay Zager, Rhonda Lear, J.D. Perry, Louis Fournet, Zack Parrish, Joe Klingen, Anthony D'Aniello, Michael Contorno, Jay Comeaux, Zack Parrish, Jason Green, James K. Conzelman, and Lionel C. Johnson.

#### IV.

For the reasons set forth herein and in Haymon's Motion, BSW respectfully requests leave to replead in order to designate the persons and entities listed above as responsible third parties pursuant to Texas Civil Practices and Remedies Code § 33.004.

Respectfully submitted,

THOMPSON, COE, COUSINS & IRONS, L.L.P.

By: /s/ Thomas A. Culpepper  
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**COUNSEL FOR DEFENDANT  
BREAZEALE, SACHSE & WILSON, LLP**

**CERTIFICATE OF CONFERENCE**

The undersigned hereby certifies that on February 5, 2014, the undersigned conferred with counsel for Plaintiffs regarding the relief requested in this motion. Plaintiffs' counsel stated that he did not agree to the requested relief, so this motion is presented to the Court for determination.

/s/ Stephen C. Richman  
Stephen C. Richman

**CERTIFICATE OF SERVICE**

On February 6, 2014, I electronically submitted the foregoing document with the Clerk of the Court of the U.S. District Court, Northern District of Texas, using the electronic case filing (ECF) system of the Court. I hereby certify that I will serve all parties individually or through their counsel of record, electronically, or by other means authorized by the Court or the Federal Rules of Civil Procedure.

/s/ Thomas A. Culpepper  
Thomas A. Culpepper  
Stephen C. Richman